

HOUSE BILL No. 5737

EXECUTIVE BUDGET BILL

February 21, 2006, Introduced by Rep. Brown and referred to the Committee on Appropriations.

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2007; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill,

the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this bill for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY:

Full-time equated unclassified positions 6.0

Full-time equated classified positions..... 3,030.3

GROSS APPROPRIATION..... \$ 3,442,385,100

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 0

ADJUSTED GROSS APPROPRIATION..... \$ 3,442,385,100

Federal revenues:

Total federal revenues..... 1,169,386,000

Special revenue funds:

Total local revenues..... 47,500,000

Total private revenues..... 0

Total other state restricted revenues..... 2,225,499,100

State general fund/general purpose..... \$ 0

Sec. 102. DEBT SERVICE

State trunkline..... \$ 152,300,400

Economic development..... 15,025,800

Local bridge fund..... 3,000,000

Blue Water Bridge..... 2,878,600

Airport safety and protection plan..... 5,607,400

1	Comprehensive transportation.....		<u>28,807,800</u>
2	GROSS APPROPRIATION.....	\$	207,620,000
3	Appropriated from:		
4	Federal revenues:		
5	DOT-FHWA, highway research, planning, and construction		55,000,000
6	Special revenue funds:		
7	Blue Water Bridge fund.....		2,878,600
8	Comprehensive transportation fund.....		28,807,800
9	Economic development fund.....		15,025,800
10	Local bridge fund.....		3,000,000
11	State aeronautics fund.....		5,607,400
12	State trunkline fund.....		97,300,400
13	State general fund/general purpose.....	\$	0
14	Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY		
15	SUPPORT SERVICES		
16	MTF grant to department of environmental quality.....	\$	1,020,800
17	MTF grant to department of state for collection of		
18	revenue and fees		20,000,000
19	MTF grant to department of treasury.....		8,801,500
20	MTF grant to legislative auditor general.....		204,300
21	STF grant to department of attorney general.....		2,708,300
22	STF grant to department of civil service.....		2,700,000
23	STF grant to department of history, arts, and		
24	libraries		73,500
25	STF grant to department of management and budget.....		1,366,500
26	STF grant to department of state police.....		7,967,000
27	STF grant to department of treasury.....		212,900

1	STF grant to legislative auditor general	474,600
2	SAF grant to department of attorney general	151,400
3	SAF grant to department of civil service	55,000
4	SAF grant to department of history, arts, and	
5	libraries	2,100
6	SAF grant to department of management and budget	38,600
7	SAF grant to department of treasury	74,300
8	SAF grant to legislative auditor general	19,600
9	CTF grant to attorney general	153,400
10	CTF grant to department of civil service	95,000
11	CTF grant to department of history, arts, and	
12	libraries	3,400
13	CTF grant to department of management and budget	62,400
14	CTF grant to department of treasury	2,400
15	CTF grant to legislative auditor general	<u>25,200</u>
16	GROSS APPROPRIATION	\$ 46,212,200
17	Appropriated from:	
18	Special revenue funds:	
19	Comprehensive transportation fund	341,800
20	Michigan transportation fund	30,026,600
21	State aeronautics fund	341,000
22	State trunkline fund	15,502,800
23	State general fund/general purpose	\$ 0
24	Sec. 104. EXECUTIVE DIRECTION	
25	Full-time equated unclassified positions 6.0	
26	Full-time equated classified positions 31.3	
27	Unclassified salaries	\$ 532,200

1	Asset management council.....	1,626,400
2	Commission audit--31.3 FTE positions.....	<u>3,382,900</u>
3	GROSS APPROPRIATION.....	\$ 5,541,500
4	Appropriated from:	
5	Special revenue funds:	
6	Michigan transportation fund.....	1,626,400
7	State trunkline fund.....	3,915,100
8	State general fund/general purpose.....	\$ 0
9	Sec. 105. BUSINESS SUPPORT	
10	Full-time equated classified positions..... 56.5	
11	Business support services--25.5 FTE positions.....	\$ 3,177,100
12	Human resources services--22.0 FTE positions.....	2,487,800
13	Economic development and enhancement services--9.0 FTE	
14	positions	1,131,000
15	Property management.....	7,331,500
16	Human resources optimization user charges.....	199,500
17	Worker's compensation.....	<u>2,136,000</u>
18	GROSS APPROPRIATION.....	\$ 16,462,900
19	Appropriated from:	
20	Special revenue funds:	
21	Comprehensive transportation fund.....	1,354,700
22	Economic development fund.....	485,300
23	Michigan transportation fund.....	175,800
24	State aeronautics fund.....	886,500
25	State trunkline fund.....	13,560,600
26	State general fund/general purpose.....	\$ 0
27	Sec. 106. INFORMATION TECHNOLOGY	

1	Information technology services and projects	\$	<u>27,876,500</u>
2	GROSS APPROPRIATION.....	\$	27,876,500
3	Appropriated from:		
4	Federal revenues		
5	DOT-FHWA, highway research, planning, and construction		1,446,900
6	Special revenue funds:		
7	Blue Water Bridge fund.....		47,000
8	Comprehensive transportation fund.....		234,300
9	Economic development fund.....		37,100
10	Michigan transportation fund.....		243,400
11	State aeronautics fund.....		143,700
12	State trunkline fund.....		25,724,100
13	State general fund/general purpose.....	\$	0
14	Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES		
15	Full-time equated classified positions.....	255.5	
16	Finance, contracts and support services--255.5 FTE		
17	positions	\$	<u>25,551,400</u>
18	GROSS APPROPRIATION.....	\$	25,551,400
19	Appropriated from:		
20	Special revenue funds:		
21	Michigan transportation fund.....		1,403,900
22	State trunkline fund.....		24,147,500
23	State general fund/general purpose.....	\$	0
24	Sec. 108. TRANSPORTATION PLANNING		
25	Full-time equated classified positions.....	174.0	
26	Transportation planning services--174.0 FTE positions	\$	35,192,100
27	Grants to regional planning councils.....		<u>488,800</u>

1	GROSS APPROPRIATION.....	\$	35,680,900
2	Appropriated from:		
3	Federal revenues:		
4	DOT-FHWA, highway research, planning, and construction		22,000,000
5	Special revenue funds:		
6	Comprehensive transportation fund.....		1,060,300
7	Michigan transportation fund.....		6,304,500
8	State aeronautics fund.....		261,900
9	State trunkline fund.....		6,054,200
10	State general fund/general purpose.....	\$	0
11	Sec. 109. DESIGN AND ENGINEERING SERVICES		
12	Full-time equated classified positions.....		1,516.4
13	Engineering services--802.2 FTE positions.....	\$	55,537,900
14	Program services--703.7 FTE positions.....		36,996,600
15	Intelligent transportation systems operations--10.5		
16	FTE positions		<u>9,977,600</u>
17	GROSS APPROPRIATION.....	\$	102,512,100
18	Appropriated from:		
19	Federal revenues:		
20	DOT-FHWA, highway research, planning, and construction		15,226,200
21	Special revenue funds:		
22	Michigan transportation fund.....		5,331,200
23	State trunkline fund.....		81,954,700
24	State general fund/general purpose.....	\$	0
25	Sec. 110. HIGHWAY MAINTENANCE		
26	Full-time equated classified positions.....		825.6
27	State trunkline operations--825.6 FTE positions.....	\$	129,341,200

1	Contract operations.....	145,823,700
2	GROSS APPROPRIATION	\$ 275,164,900
3	Appropriated from:	
4	Special revenue funds:	
5	State trunkline fund.....	275,164,900
6	State general fund/general purpose.....	\$ 0
7	Sec. 111. ROAD AND BRIDGE PROGRAMS	
8	State trunkline federal aid and road and bridge	
9	construction	\$ 988,064,200
10	Local federal aid and road and bridge construction...	259,689,000
11	Grants to local programs.....	33,000,000
12	Rail grade crossing.....	3,000,000
13	Local bridge fund.....	30,455,300
14	County road commissions.....	649,447,500
15	Cities and villages.....	<u>362,096,000</u>
16	GROSS APPROPRIATION.....	\$ 2,325,752,000
17	Appropriated from:	
18	Federal revenues:	
19	DOT-FHWA, highway research, planning, and construction	1,014,225,100
20	Special revenue funds:	
21	Local funds.....	30,000,000
22	Blue Water Bridge fund.....	3,000,000
23	Local bridge fund.....	30,455,300
24	Michigan transportation fund.....	1,047,543,500
25	State trunkline fund.....	200,528,100
26	State general fund/general purpose.....	\$ 0
27	Sec. 112. BLUE WATER BRIDGE	

1	Full-time equated classified positions.....	41.0		
2	Blue water bridge operations--41.0 FTE positions		\$	<u>11,416,600</u>
3	GROSS APPROPRIATION.....		\$	11,416,600
4	Appropriated from:			
5	Special revenue funds:			
6	Blue Water Bridge fund.....			11,416,600
7	State general fund/general purpose.....		\$	0
8	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND			
9	Forest roads.....		\$	5,000,000
10	Rural county urban system.....			2,500,000
11	Target industries/economic redevelopment			18,863,400
12	Urban county congestion.....			7,681,700
13	Rural county primary.....			<u>7,681,700</u>
14	GROSS APPROPRIATION.....		\$	41,726,800
15	Appropriated from:			
16	Special revenue funds:			
17	Economic development fund.....			41,726,800
18	State general fund/general purpose.....		\$	0
19	Sec. 114. AERONAUTICS SERVICES			
20	Full-time equated classified positions.....	56.0		
21	Aeronautics services--56.0 FTE positions		\$	6,993,500
22	Air service program.....			<u>700,000</u>
23	GROSS APPROPRIATION.....		\$	7,693,500
24	Appropriated from:			
25	Special revenue funds:			
26	State aeronautics fund.....			7,693,500
27	State general fund/general purpose.....		\$	0

1	Sec. 115. PUBLIC TRANSPORTATION AND FREIGHT		
2	SERVICES		
3	Full-time equated classified positions.....	74.0	
4	Public transportation and freight services--74.0 FTE .		
5	positions	\$	<u>8,490,000</u>
6	GROSS APPROPRIATION.....	\$	8,490,000
7	Appropriated from:		
8	Federal revenues:		
9	DOT, federal transit act.....		787,800
10	Special revenue funds:		
11	Comprehensive transportation fund.....		5,707,100
12	Michigan transportation fund.....		1,995,100
13	State general fund/general purpose.....	\$	0
14	Sec. 116. BUS TRANSIT OPERATING ASSISTANCE		
15	Local bus operating.....	\$	166,624,000
16	Nonurban operating/capital.....		<u>18,000,000</u>
17	GROSS APPROPRIATION.....	\$	184,624,000
18	Appropriated from:		
19	Federal revenues:		
20	DOT, federal transit act.....		16,000,000
21	Special revenue funds:		
22	Local funds.....		2,000,000
23	Comprehensive transportation fund.....		166,624,000
24	State general fund/general purpose.....	\$	0
25	Sec. 117. INTERCITY PASSENGER AND FREIGHT		
26	Freight property management.....	\$	1,000,000
27	Detroit/Wayne County port authority.....		500,000

1	Intercity bus equipment.....	2,800,000
2	Rail passenger service.....	8,200,000
3	Freight preservation and development.....	5,192,900
4	Rail infrastructure loan program.....	1,100,000
5	Intercity bus service development.....	4,850,000
6	Marine passenger services.....	400,000
7	Terminal development.....	<u>1,751,300</u>
8	GROSS APPROPRIATION.....	\$ 25,794,200
9	Appropriated from:	
10	Federal revenues:	
11	DOT, federal transit act.....	3,500,000
12	DOT-FRA, local rail service assistance.....	100,000
13	DOT-FRA, rail passenger/HSGT.....	1,000,000
14	Special revenue funds:	
15	Local funds.....	50,000
16	Comprehensive transportation fund.....	18,144,200
17	Intercity bus equipment fund.....	1,000,000
18	Rail preservation fund.....	2,000,000
19	State general fund/general purpose.....	\$ 0
20	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
21	Specialized services.....	\$ 11,300,100
22	Municipal credit program.....	2,000,000
23	Bus capital.....	64,726,500
24	Van pooling.....	195,000
25	Service initiatives.....	1,200,000
26	Transportation to work.....	<u>14,844,000</u>
27	GROSS APPROPRIATION.....	\$ 94,265,600

1	Appropriated from:	
2	Federal revenues:	
3	DOT, federal transit act.....	40,100,000
4	Special revenue funds:	
5	Local funds.....	15,450,000
6	Comprehensive transportation fund.....	38,715,600
7	State general fund/general purpose.....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$2,225,499,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$1,319,045,600.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

19	Grants to local programs.....	\$	33,000,000
20	Economic development fund.....		37,863,400
21	Grants to cities and villages.....		362,096,000
22	Grants to county road commissions.....		649,447,500
23	Local bridge fund.....		30,455,300
24	Grants to regional planning councils.....		488,800
25	Local bus operating.....		166,624,000
26	Bus capital.....		27,226,500

1	Marine passenger service.....	400,000
2	Detroit/Wayne County port authority.....	500,000
3	Municipal credit program.....	2,000,000
4	Specialized services.....	4,100,100
5	Transportation to work.....	4,844,000
6	Total payments to local units of government.....	\$ 1,319,045,600

7 Sec. 202. The appropriations authorized under this bill are
8 subject to the management and budget act, 1984 PA 431, MCL 18.1101
9 to 18.1594.

10 Sec. 203. As used in this bill:

11 (a) "CTF" means comprehensive transportation fund.

12 (b) "Department" means the department of transportation.

13 (c) "DOT" means the United States department of
14 transportation.

15 (d) "DOT-FHWA" means DOT, federal highway administration.

16 (e) "DOT-FRA" means DOT, federal railroad administration.

17 (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad
18 administration, high-speed ground transportation.

19 (g) "EDF" means economic development fund.

20 (h) "FTE" means full-time equated.

21 (i) "MTF" means Michigan transportation fund.

22 (j) "RIF" means recreation improvement fund.

23 (k) "SAF" means state aeronautics fund.

24 (l) "STF" means state trunkline fund.

25 Sec. 204. The department of civil service shall bill the
26 departments and agencies at the end of the first fiscal quarter for
27 the 1% charge authorized by section 5 of article XI of the state

1 constitution of 1963. Payments shall be made for the total amount
2 of the billing by the end of the second fiscal quarter.

3 Sec. 205. (1) A hiring freeze is imposed on the state
4 classified civil service. State departments and agencies are
5 prohibited from hiring any new full-time state classified civil
6 service employees and prohibited from filling any vacant state
7 classified civil service positions. This hiring freeze does not
8 apply to internal transfers of classified employees from 1 position
9 to another within a department.

10 (2) The state budget director may grant exceptions to this
11 hiring freeze when the state budget director believes that the
12 hiring freeze will result in rendering a state department or agency
13 unable to deliver basic services, cause loss of revenue to the
14 state, result in the inability of the state to receive federal
15 funds, or necessitate additional expenditures that exceed any
16 savings from maintaining a vacancy. The state budget director
17 shall report quarterly to the chairpersons of the senate and house
18 of representatives standing committees on appropriations the number
19 of exceptions to the hiring freeze approved during the previous
20 quarter and the reasons to justify the exception.

21 Sec. 206. (1) In addition to the funds appropriated in part 1,
22 there is appropriated an amount not to exceed \$100,000,000.00 for
23 federal contingency funds. These funds are not available for
24 expenditure until they have been transferred to another line item
25 in this bill pursuant to section 393(2) of the management and
26 budget act, 1984 PA 431, MCL 18.1393.

27 (2) In addition to the funds appropriated in part 1, there is

1 appropriated an amount not to exceed \$40,000,000.00 for state
2 restricted contingency funds. These funds are not available for
3 expenditure until they have been transferred to another line item
4 in this bill pursuant to section 393(2) of the management and
5 budget act, 1984 PA 431, MCL 18.1393.

6 (3) In addition to the funds appropriated in part 1, there is
7 appropriated an amount not to exceed \$10,000,000.00 for local
8 contingency funds. These funds are not available for expenditure
9 until they have been transferred to another line item in this bill
10 pursuant to section 393(2) of the management and budget act, 1984
11 PA 431, MCL 18.1393.

12 (4) In addition to the funds appropriated in part 1, there is
13 appropriated an amount not to exceed \$1,000,000.00 for private
14 contingency funds. These funds are not available for expenditure
15 until they have been transferred to another line item in this bill
16 pursuant to section 393(2) of the management and budget act, 1984
17 PA 431, MCL 18.1393.

18 Sec. 208. Unless otherwise specified, the department shall use
19 the Internet to fulfill the reporting requirements of this bill.
20 This requirement may include transmission of reports via electronic
21 mail to the recipients identified for each reporting requirement or
22 it may include placement of reports on an Internet or Intranet
23 site.

24 Sec. 209. Funds appropriated in part 1 shall not be used for
25 the purchase of foreign goods or services, or both, if
26 competitively priced and of comparable quality American goods or
27 services, or both, are available. Preference should be given to

1 goods or services, or both, manufactured or provided by Michigan
2 businesses if they are competitively priced and of comparable
3 quality.

4 Sec. 210. The director shall take all reasonable steps to
5 ensure businesses in deprived and depressed communities compete for
6 and perform contracts to provide services or supplies, or both.
7 The director shall strongly encourage firms with which the
8 department contracts to subcontract with certified businesses in
9 deprived and depressed communities for services, supplies, or both.

10 Sec. 258. Amounts appropriated in part 1 for information
11 technology may be designated as work projects and carried forward
12 to support technology projects under the direction of the
13 department of information technology. Funds designated in this
14 manner are not available for expenditure until approved as work
15 projects under section 451a of the management and budget act, 1984
16 PA 431, MCL 18.1451a.

17 Sec. 259. From the funds appropriated in part 1 for
18 information technology, the department shall pay user fees to the
19 department of information technology for technology-related
20 services and projects. Such user fees shall be subject to
21 provisions of an interagency agreement between the department and
22 the department of information technology.

23 Sec. 260. (1) Due to the current budgetary problems in this
24 state, out-of-state travel for the fiscal year ending September 30,
25 2007 shall be limited to situations in which 1 or more of the
26 following conditions apply:

27 (a) The travel is required by legal mandate or court order or

1 for law enforcement purposes.

2 (b) The travel is necessary to protect the health or safety of
3 Michigan citizens or visitors or to assist other states in similar
4 circumstances.

5 (c) The travel is necessary to produce budgetary savings or to
6 increase state revenues, including protecting existing federal
7 funds or securing additional federal funds.

8 (d) The travel is necessary to comply with federal
9 requirements.

10 (e) The travel is necessary to secure specialized training for
11 staff that is not available within this state.

12 (f) The travel is financed entirely by federal or nonstate
13 funds.

14 (2) If out-of-state travel is necessary but does not meet 1 or
15 more of the conditions in subsection (1), the state budget director
16 may grant an exception to allow the travel. Any exceptions granted
17 by the state budget director shall be reported on a monthly basis
18 to the senate and house of representatives standing committees on
19 appropriations.

20 (3) Not later than January 1 of each year, each department
21 shall prepare a travel report listing all travel by classified and
22 unclassified employees outside this state in the immediately
23 preceding fiscal year that was funded in whole or in part with
24 funds appropriated in the department's budget. The report shall be
25 submitted to the chairs and members of the senate and house of
26 representatives standing committees on appropriations, the fiscal
27 agencies, and the state budget director. The report shall include

1 the following information:

2 (a) The name of each person receiving reimbursement for travel
3 outside this state or whose travel costs were paid by this state.

4 (b) The destination of each travel occurrence.

5 (c) The dates of each travel occurrence.

6 (d) A brief statement of the reason for each travel
7 occurrence.

8 (e) The transportation and related costs of each travel
9 occurrence, including the proportion funded with state general
10 fund/general purpose revenues, the proportion funded with state
11 restricted revenues, the proportion funded with federal revenues,
12 and the proportion funded with other revenues.

13 (f) A total of all out-of-state travel funded for the
14 immediately preceding fiscal year.

15 **DEPARTMENTAL SECTIONS**

16 Sec. 301. (1) The department may establish a fee schedule and
17 collect fees sufficient to cover the costs to issue the permits
18 that the department is authorized by law to issue upon request, and
19 for which fees are not otherwise stipulated by law. All permit
20 fees are nonrefundable application fees and shall be credited to
21 the state trunkline fund to recover the direct and indirect costs
22 of receiving, reviewing, and processing the requests.

23 (2) A bridge authority shall hold 3 public hearings on an
24 increase in any toll charged by the authority at least 30 days
25 before the toll change will become effective. Two of the hearings
26 shall be held within 5 miles of the bridge over which the bridge

1 authority has jurisdiction. One hearing shall be held in Lansing.
2 Public hearings held under this section shall be conducted in
3 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
4 15.275, and shall be conducted so as to provide a reasonable
5 opportunity for public comment, including both spoken and written
6 comments.

7 Sec. 304. If, as a requirement of bidding on a highway
8 project, the department requires a contractor to submit financial
9 or proprietary documentation as to how the bid was calculated, that
10 bid documentation shall be kept confidential and shall not be
11 disclosed other than to a department representative without the
12 contractor's written consent. The department may disclose the bid
13 documentation if necessary to address or defend a claim by a
14 contractor.

15 Sec. 305. The department may permit space on state-owned
16 public passenger transportation properties to be occupied by public
17 or private tenants on a competitive market rate basis. The
18 department shall require that revenue from the tenants be placed in
19 an account to be used to pay the costs to maintain and improve the
20 property. Funds in excess of those needed to maintain the property
21 shall be deposited into the appropriate fund.

22 Sec. 306. Biennially, in each odd numbered fiscal year, the
23 auditor general shall conduct an audit of charges to transportation
24 funds by state departments for the 2 preceding fiscal years. The
25 auditor general shall prepare a detailed report, with
26 recommendations and conclusions, including a list of services
27 charged to transportation funds, the appropriateness of those

1 charges, the cost allocation methodologies used in determining the
2 level of funding, and any unreimbursed costs. The report shall be
3 provided, upon request, to any member of the senate and house of
4 representatives, senate and house fiscal agencies, and the state
5 budget director 6 months after publication of the state of Michigan
6 comprehensive annual financial report.

7 Sec. 307. Before February 1 of each year, the department will
8 provide to the legislature, the state budget office, and the house
9 and senate fiscal agencies its rolling 5-year plan listing by
10 county or by county road commission all highway construction
11 projects for the fiscal year and all expected projects for the
12 ensuing fiscal years.

13 Sec. 308. The department and local road agencies that receive
14 appropriations under this bill shall pursue compliance with
15 contract specifications for construction and maintenance of state
16 highways and local roads and streets. Work shall not be accepted
17 and paid for until it complies with contract requirements.
18 Contractors with unsatisfactory performance ratings shall be
19 restricted from future bidding through the prequalification process
20 established by the department or a local road agency. The
21 department, county road commissions, and cities and villages shall
22 report to the house of representatives and senate appropriations
23 subcommittees on transportation, the senate and house fiscal
24 agencies, and the state budget director on their respective
25 activities under this section.

26 Sec. 309. The department shall continue its efforts to reduce
27 administrative costs and provide the maximum funding possible for

1 construction projects.

2 Sec. 310. The department shall provide in a timely manner
3 copies of the agenda and approved minutes of monthly transportation
4 commission meetings to the members of the house and senate
5 appropriations subcommittees on transportation, the house and
6 senate fiscal agencies, and the state budget director.

7 Sec. 311. The department shall not use funds appropriated
8 under part 1 on behalf of a local governmental unit to pay the
9 amount required for that local governmental unit to participate in
10 the federal advance construction program.

11 Sec. 312. At the close of the fiscal year, any unencumbered
12 and unexpended balance in the state trunkline fund shall remain in
13 the state trunkline fund and shall carry forward and is
14 appropriated for federal aid road and bridge programs for projects
15 contained in the annual state transportation program.

16 Sec. 313. (1) From funds appropriated in part 1, the
17 department may increase a state infrastructure bank program and
18 grant or loan funds in accordance with regulations of the state
19 infrastructure bank program of the United States department of
20 transportation. The state infrastructure bank is to be
21 administered by the department for the purpose of providing a
22 revolving, self-sustaining resource for financing transportation
23 infrastructure projects.

24 (2) In addition to funds provided in subsection (1), money
25 received by the state as federal grants, repayment of state
26 infrastructure bank loans, or other reimbursement or revenue
27 received by the state as a result of projects funded by the program

1 and interest earned on that money shall be deposited in the
2 revolving state infrastructure bank fund and shall be available for
3 transportation infrastructure projects. At the close of the fiscal
4 year, any unencumbered funds remaining in the state infrastructure
5 bank fund shall remain in the fund and be carried forward into the
6 succeeding fiscal year.

7 Sec. 324. From the funds appropriated in part 1, up to
8 \$500,000.00 from the state trunkline fund shall be used for
9 enhanced construction zone traffic law enforcement and the "give
10 'em a brake" campaign. The funding shall be used to reimburse law
11 enforcement agencies for costs associated with construction zone
12 traffic enforcement. The funding shall be provided based on
13 approved memoranda of understanding between the department and
14 participating law enforcement agencies.

15 Sec. 334. The department shall continue its program to
16 increase the use of women- and minority-owned businesses in state
17 and local road construction projects. This program shall comprise,
18 at a minimum, outreach and education efforts to inform women- and
19 minority-owned firms of department competitive bidding processes
20 and requirements, and an assessment of the availability of surety
21 for women- and minority-owned businesses.

22 Sec. 375. The department is prohibited from reimbursing
23 contractors or consultants for costs associated with groundbreaking
24 ceremonies, receptions, open houses, or press conferences related
25 to transportation projects funded, in whole or in part, by revenue
26 appropriated in part 1.

FEDERAL

Sec. 401. Within 30 days of receiving the applicable fiscal year authorization from the federal government to commit transportation funds, the department shall notify local agency representatives, the senate and house of representatives appropriations transportation subcommittees, the senate and house fiscal agencies, and the state budget director regarding the amount of federal aid for categorical allocations to state and local agency programs not specifically allocated in either federal or state law.

MICHIGAN TRANSPORTATION FUND

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, and not appropriated to the department of labor and economic growth or the department of state police is deposited in the Michigan transportation fund.

Sec. 502. The department of treasury shall perform audits and make investigations of the disposition of all state funds received by county road commissions or county boards of commissioners, as applicable, and cities and villages for transportation purposes to determine compliance with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675. County road commissions or county boards of commissioners, as applicable, and cities and villages shall make available to the department of treasury the pertinent records for the audit.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and local bridge programs shall not lapse at

1 the end of the fiscal year but shall carry forward each fiscal year
2 for the purposes for which appropriated in accordance with 1987 PA
3 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
4 247.660.

5 (2) Interest earned in the department of transportation
6 economic development fund and local bridge fund shall remain in the
7 respective funds and shall be allocated to the respective programs
8 based on actual interest earned at the end of each fiscal year.

9 (3) The department of transportation economic development fund
10 and local bridge fund may receive and expend federal, local, or
11 private funds or restricted source funds such as interest earnings
12 for projects that are consistent with the programmatic mission of
13 the respective funds in addition to funds appropriated in part 1.

14 (4) None of the funds statutorily dedicated to the
15 transportation economic development fund and local bridge fund
16 shall be diverted to other projects.

17 Sec. 504. (1) Funds from the Michigan transportation fund
18 (MTF) shall be distributed to the comprehensive transportation fund
19 (CTF), the economic development fund (EDF), the recreation
20 improvement fund (RIF), and the state trunkline fund (STF), in
21 accordance with this bill and part 711 of the natural resources and
22 environmental protection act, 1994 PA 451, MCL 324.71101 to
23 324.71108, and may only be used as specified in this bill, 1951 PA
24 51, MCL 247.651 to 247.675, and part 711 of the natural resources
25 and environmental protection act, 1994 PA 451, MCL 324.71101 to
26 324.71108.

27 (2) The amounts appropriated and transferred to various state

1 agencies from interdepartment and statutory grants in part 1 shall
2 be expended from the transportation funds pursuant to annual
3 contracts between the department and state agencies providing tax
4 and fee collection and other services applicable to transportation
5 funds. The contracts shall be executed prior to the transfer of
6 these funds. The contracts shall provide, but are not limited to,
7 the following data applicable to each state agency:

8 (a) Estimated costs to be recovered from transportation funds.

9 (b) Description of services financed with transportation
10 funds.

11 (c) Detailed cost allocation methods that are appropriate to
12 the type of services being provided and the activities financed
13 with transportation funds.

14 (3) Two months after publication of the state of Michigan
15 comprehensive annual financial report, each state agency receiving
16 an interdepartment and statutory contract from the department shall
17 submit a written report to the department, the state budget
18 director, and the house and senate fiscal agencies stating by
19 spending authorization account the amount of estimated funds
20 contracted with the department, the amount of funds expended, the
21 amount of funds returned to the transportation funds, and any
22 unreimbursed transportation-related costs incurred but not billed
23 to transportation funds. A copy of the report shall be submitted
24 to the auditor general and the report shall be subject to audit by
25 the auditor general.

26 **STATE TRUNKLINE FUND**

1 Sec. 601. The department shall work with the road construction
2 industry and engineering consulting community to develop
3 performance and road construction warranties for construction
4 contracts. The development of warranties shall include warranties
5 on materials, workmanship, performance criteria, and design/build
6 projects.

7 Sec. 602. If the department uses manufactured pipe for road
8 construction drainage, the department shall require that pipe used
9 under certain load-bearing conditions beneath the roadway meets the
10 standards established by the American society for testing and
11 materials (ASTM) or American association of state highway and
12 transportation officials (AASHTO). The department may also use the
13 mandrel test for manufactured pipe 60 days after installation and
14 provide a summary of the results of these inspections to the house
15 of representatives and senate appropriations subcommittees on
16 transportation and house and senate fiscal agencies, and the state
17 budget director.

18 COMPREHENSIVE TRANSPORTATION FUND

19 Sec. 701. Money that is received by the state as a lease
20 payment for state-owned intercity bus equipment is not money to be
21 deposited in the comprehensive transportation fund under section
22 10b of 1951 PA 51, MCL 247.660b, but is money deposited in an
23 intercity bus equipment fund for appropriation for the purchase and
24 repair of intercity bus equipment. Proceeds received by the state
25 from the sale of intercity bus equipment are deposited in an
26 intercity bus equipment fund for appropriation for the purchase and

1 repair of intercity bus equipment. Security deposits from the
2 lease of state-owned intercity bus equipment not returned to the
3 lessee of the equipment under terms of the lease agreement are
4 deposited in an intercity bus equipment fund for appropriation for
5 the repair of intercity bus equipment. At the close of the fiscal
6 year, any funds remaining in the intercity bus equipment fund shall
7 remain in the fund and be carried forward into the succeeding
8 fiscal year.

9 Sec. 702. Money that is received by the state as repayment for
10 loans made for rail or water freight capital projects, and as a
11 result of the sale of property or equipment used or projected to be
12 used for rail or water freight projects shall be deposited in the
13 fund created by section 17 of the state transportation preservation
14 act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal
15 year, any funds remaining in the rail preservation fund shall
16 remain in the fund and be carried forward into the succeeding
17 fiscal year.

18 Sec. 706. The Detroit/Wayne County port authority shall issue
19 a complete operations assessment and a financial disclosure
20 statement. The operations assessment shall include operational
21 goals for the next 5 years and recommendations to improve land
22 acquisition and development efficiency. The report shall be
23 completed and submitted to the house of representatives and senate
24 appropriations subcommittees on transportation, the state budget
25 director, and the house and senate fiscal agencies by February 15
26 of each fiscal year for the prior fiscal year.

27 Sec. 707. For the fiscal year ending September 30, 2007, each

1 eligible authority and each eligible governmental agency which
2 provides public transportation services in urbanized areas with a
3 Michigan population of less than or equal to 100,000 and
4 nonurbanized areas under section 5311 of title 49 of the United
5 States Code, 49 USC 5311, shall receive a grant of up to 60% of its
6 eligible operating expenses. Each eligible authority and each
7 eligible government agency which provides public transportation
8 services in urbanized areas with a Michigan population of greater
9 than 100,000 under section 5307 of title 49 of the United States
10 Code, 49 USC 5307, shall receive a grant of up to 50% of its
11 eligible operating expenses.

12 Sec. 708. If funds appropriated in part 1 are used to provide
13 state-owned or state-leased buses to private intercity bus
14 carriers, the department shall charge not less than \$1,000.00 per
15 bus per year for their use.

16 Sec. 711. (1) From the funds appropriated in part 1 from the
17 comprehensive transportation fund for rail passenger service, the
18 department shall negotiate with a rail carrier to provide rail
19 service between Grand Rapids and Chicago and between Port Huron and
20 Chicago on a 7-day basis, consistent with the other provisions of
21 this section.

22 (2) Any state subsidy for rail passenger service between Grand
23 Rapids and Chicago and between Port Huron and Chicago shall be
24 limited to fifty percent of the portion of the cost not eligible
25 for reimbursement by the federal government and shall not exceed
26 \$7,100,000.00.

27 (3) No state subsidy shall be provided from the funds

1 appropriated in part 1 if the chosen rail carrier is Amtrak and
2 Amtrak discontinued service or any portion of the service between
3 Port Huron and Chicago or Grand Rapids and Chicago during the
4 preceding fiscal year, unless the discontinuance of service was for
5 track maintenance or was caused by acts of God.

6 Sec. 714. The department, in cooperation with local transit
7 agencies, shall work to ensure that demand-response services are
8 provided throughout Michigan. The department shall continue to work
9 with local units of government to address the unmet transit needs
10 in Michigan.

11 Sec. 721. For federal transit administration bus acquisition
12 capital grants matched with CTF funds appropriated in part 1,
13 transit agencies shall have 4 years from the federal approval date
14 to carry out their projects. Contract line items unobligated 4
15 years after the federal approval date may be matched with CTF funds
16 only up to 15% in the fifth and subsequent years. "Unobligated"
17 means any line item in the contract that is not committed to a
18 third party or purchase order. A waiver shall be granted by the
19 department for an additional year with documented justification
20 from the transit agency accompanied by a resolution from the board
21 or authority seeking a waiver. If a transit agency does not carry
22 out a line item activity in a specific authorization and the
23 transit agency requests funds in a new authorization for that same
24 activity, the line item shall be matched at up to 15%. This
25 section applies only to bus acquisition capital grants. Lapsed
26 funds under this section shall remain in the CTF.

1 **AERONAUTICS FUND**

2 Sec. 801. At the close of the fiscal year, any unobligated and
3 unexpended balance in the state aeronautics fund created in the
4 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
5 to 259.208, shall lapse to the state aeronautics fund and be
6 appropriated by the legislature in the immediately succeeding
7 fiscal year.

8 Sec. 805. State aeronautics funds appropriated in part 1 for
9 airport safety and protection plan debt service are transferred to
10 the comprehensive transportation fund and are appropriated for the
11 purpose of reimbursing comprehensive transportation fund debt
12 service obligations for the airport safety and protection plan
13 program.